

IRS News Release

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Victims of 2005 Hurricanes Get Additional Year to Sell Vacant Land

IR-2007-134, July 31, 2007

WASHINGTON — The Internal Revenue Service is extending for an additional year the time limit within which victims of Hurricanes Katrina, Rita and Wilma have to sell vacant land that they had owned and used as part of their principal residence that was destroyed as a result of the hurricanes.

Federal tax rules state that individuals have two years within which to sell the vacant land to be able to take advantage of the exclusion on gain from the sale of a principal residence.

Given that the two-year anniversary is approaching for victims of the 2005 hurricanes, the IRS has decided to provide additional time to take advantage of the exclusion. The IRS is granting relief by declaring that these victims now have three years after the destruction of their principal residence as a result of the hurricanes to sell their vacant land that they had owned and used as part of the principal residence.

IRS.gov has specific information on this provision for disaster victims. IRS.gov also has more information on the tax relief extended to victims of hurricanes Katrina, Rita and Wilma.